

No. 20267

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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SANTA ANITA MANUFACTURING CORPORATION,

*Appellant and Cross-Appellee,*

*vs.*

MAX J. LUGASH AND MAXON INDUSTRIES, INC.,

*Appellees and Cross-Appellants.*

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Opening Brief of Cross-Appellants Max J. Lugash  
and Maxon Industries, Inc.

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## Jurisdictional Statement.

This is a patent case involving the questions of validity and infringement of Lugash generic Patent No. 2,837,227 and Lugash improvement patent No. 2,989,196. A judgment was entered on June 10, 1965, holding the Lugash generic patent valid and infringed, while the Lugash improvement patent was held invalid [R. 675]. The trial court made no findings on the issue of infringement of improvement patent '196 in view of the holding of invalidity. The main appeal is pursuant to defendant's Notice of Appeal, filed June 21, 1965 [R. 681], from those portions of the trial court's judgment holding the Lugash generic patent valid and infringed. Plaintiffs' have cross-appealed pursuant to a Notice of Appeal filed July 9, 1965 [R. 704], from that portion of the judgment holding the Lugash improvement patent invalid. Therefore, this brief is limited to

the sole issue of the cross-appeal, *i.e.*, validity of Lugash improvement patent '196.

The District Court had jurisdiction under 28 U.S.C. Secs. 1338(a) and 2201 and this Court of Appeals has jurisdiction under 28 U.S.C. 291.

### Concise Statement of the Case.

Max J. Lugash filed a complaint in the District Court charging Santa Anita Manufacturing Corporation with infringement of two patents [R. 2]. He sought an injunction and damages. Santa Anita answered, denying generally these charges and affirmatively alleged the usual defenses. In addition, Santa Anita counter-claimed for a declaratory judgment of non-infringement and invalidity of the two patents [R. 5]. Because the two patents in suit had been assigned to Maxon Industries, Inc., that corporation was joined as a party-plaintiff in the action by an order of the Court [R. 185].\*

The case was tried to the court sitting without a jury. While Lugash generic patent '227 was adjudged to be valid and infringed, the court made Findings 31-35a [R. 671, 672] to the effect that Lugash improvement patent '196, which was co-pending in the Patent Office with generic patent '227, was an obvious variant of the claimed subject matter of the generic patent and invalid under 35 U.S.C. Sec. 103. The nature of the prior art (including the claimed subject matter of the generic patent), the Lugash improvement patent, and the differences between them are set out below, as a preliminary to argument.

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\*Throughout this Brief, the District Court Clerk's record on appeal will be referred to as "R" followed by the page number. The reporter's transcript of evidence on the trial before Judge Crary will be referred to as "Tr." followed by page and line numbers, to wit: Tr. ...., lines ----.....



**A. The Art Prior to Lugash Improvement Patent '196.**

This case is concerned with freight loading and unloading devices for trucks. As is shown by the relatively primitive devices of the 1896 Shadbolt patent, the 1921 Ducondu '011 and 1927 Ducondu '473 [Ex. D; Find. 23, R. 668, lines 11-13], freight loading devices have been known for well over half a century. Speaking generally, such devices historically have taken the form of laterally spaced lifting arms pivotally connected at one end to the truck and having a platform or other load supporting members connected to the vertically swingable ends of the lifting arms. Then, as the lifting arms are raised or lowered, usually by a power means, a load is lifted or lowered between the level of the truck bed and ground level.

While all prior art lifting devices fit within the above very comprehensive definition, they fall into distinctly different types. Thus, in one type [Ex. C, Narvestad, '529, Australian patent '577 to Peters, and Jester '243] the lifting arms are simple levers, without any link motion. As a consequence, loads which are lifted and lowered with this type of device change their angle with respect to the horizontal and are tipped very substantially. In other words, loaders of this type are not "level" loaders, in that the load receiving platform does not remain approximately horizontal or level because the lifting arms, acting as levers, cause the platform and load to tip or change angle, which is the desired result [Find. 23, R. 667, 668].

In another type of loader, the lifting arms comprise two laterally spaced pairs of parallel acting linkages to whose swingable ends the load platform is connected. In this type, the platform and the load thereon remain

substantially horizontal during raising and lowering as a function of the parallel acting linkages. In this type of loader, with parallel linkage lifting arms, the platform, in one instance only, also serves as a portion of the floor of the vehicle [to wit, Ex. D, Trotter patents '488 and '052, on which defendant does not rely, Tr. 849, lines 1-17]. Generically speaking, these may be called "lift gate" or "tail gate" loaders because the load platform rides in vertical position and serves as the tail gate of the truck on which the device is mounted when not used for loading [*e.g.*, Ex. C, Novotney '403, End Gate Loader of March 19, 1940; Find. 10, R. 665].

None of these prior art types of loading devices was of any commercial significance, except for the type known as lift gates, in which the load platform serves as the tail gate of the truck as well as the load platform [Find. 24, R. 668, line 29]. The lift gate type of loader is old and well known, a variety of commercial types having been in widespread use since about 1945, having been made by many long established companies [Find. 10, R. 665]. The defendant Santa Anita itself and its predecessors have been continuously engaged in the manufacture and sale of the lift gate type of loader since at least 1947 [Find. 11, R. 665].

In the art prior to Lugash generic patent '227, there was no loader that could be stored in an out-of-the-way position that had ever come into successful use in the trucking industry [Find. 8, R. 664, line 26] even though there was a demand and need for a lower loader, the platform of which folded and moved to a position so as to be carried underneath the bed of the truck [Find. 26, R. 669]. As regards the type of lifting device with lever-acting lifting arms, without any parallel mo-

tion, some of those patents disclose a folding of a platform or load members over the lifting lever arms [Find. 19, R. 667]. However, in all of these prior devices of the lever arm type, manual disassembly of parts or manual manipulation of parts is necessary after the platform has been manually inverted to effect movement of the inverted platform into and out of the stowed position [Find. 20, R. 667]. None of these paper patent devices suggested or showed any means whereby the lifting arms could act to carry or move an inverted platform into and out of stowed-away position [Find. 20, R. 667].

Thus, in the art prior to Lugash's generic patent, whether commercially available or merely patented, there was not available any truck-loader in which the lifting arms functioned to move an inverted platform into and out of the stored position [Find. 8, R. 664, line 19]. Further, the state of the art, whether commercially available or merely patented, was such that there was not available any power loader in which the load platform could be moved into and out of a stored position by a power means [Find. 8, R. 664, line 18].

Truck loaders embodying the inventions of the Lugash generic patent were the first loaders that could be stored in an out-of-the-way position ever to come into successful use in the trucking industry [Find. 9, R. 664, line 26]. For the first time there was available to the art a loader with a power means for moving the load platform into and out of a stored position [Find. 8, R. 664, line 18]. Commercial production commenced in early 1957 [Ex. E, p. 18] and the patented Lugash loaders are known in the trade as Tuk-A-Way loaders. The introduction of the Lugash '227 invention to

freight business resulted in significant economies of time and money to users and Tuk-A-Way loaders were widely adopted in the trade [Find. 28, R. 669]. Sales increased until for the calendar year 1964, plaintiff Maxon's sales of Tuk-A-Way loaders had risen to over one-half million dollars [Find 9, R. 665, line 4].

The application for the Lugash generic patent was filed April 15, 1957 [Ex. 1]. Two embodiments of the Lugash invention are disclosed, both at the rear end of a truck and differing primarily in the nature of the power means. In one embodiment, the power means comprises an electric motor driven winch and cable device having pulley attachments to the rear edge of the truck bed, as well as to the parallelogram linkage systems and to the framework supporting the electric motor. In the second embodiment, the power means comprises a pair of hydraulic cylinders extending between the truck sills and the parallelogram linkage system and not connected to the framework supporting the inner or forward ends of the linkage systems. Neither of the two embodiments illustrated in the first Lugash patent is a unitary truck loader since, in both embodiments, the power means for raising or lowering the platform has a separate means of support, other than the framework of the loader assembly which supports the inner or forward ends of the parallelogram linkage systems.

At the trial, the defendant contended (and plaintiffs agreed) that the Lugash generic patent constitutes prior art against the Lugash improvement patent to the extent, and only to the extent, of the claimed subject matter of the first Lugash patent. The trial court recognized that the patentable advance of Lugash's improvement patent would have to be over only what was

*claimed* in his copending generic patent and need not be over the totality of its disclosure as would be the case if the patents had not been copending [R. 570, lines 8-11]. The claims of Lugash patent '227 define new combinations of old elements, best summarized after claim 8, as consisting of a pair of parallel rule linkage systems, a platform, connections between the linkage systems and platform comprising hinged means permitting inversion of the platform and stop means to support the platform in load carrying position, and power means to lift the platform or to allow it to descend [Find. 7, R. 664].

**B. The Differences Between the Lugash Improvement Patent and the Prior Art.**

The application for the second Lugash patent was filed September 27, 1957, about eight months prior to issuance of the primary Lugash patent on June 3, 1958. The second patent specifically states that it relates to "an improvement over the hoist described and claimed in my application Serial No. 652,860 filed April 15, 1957, now Patent No. 2,837,227" [Ex. 2, Col. 1, lines 8-12]. While the Lugash generic patent disclosed two different embodiments of loader [*i.e.*, Ex. 1, Figs. 1 and 9], both of these are mounted on the rear end of the truck. As contrasted with this, the improvement patent disclosed but one embodiment of loader but discloses this one embodiment as being installed under three different locations relative to the truck. Thus, Figures 1 through 8 relate to the single disclosed embodiment of the invention as centrally located under the rear end of the truck while "Figs. 9 and 10 are views showing optional installations of the device in off center positions at the rear end of a truck and at the side of a truck respectively" [Ex. 2, Col. 1, lines 64-66].



A stated object of the invention is to provide a hoisting apparatus "in which the power means is mounted on the main frame member for the hoist, whereby the entire hoist and its power unit form a complete assembly or unit for attachment to the vehicle" [Ex. 2, Col. 1, lines 25-29] and it is further stated,

"It is to be noted that the power unit and control means except the valve 47 and switch 50 are mounted on the main frame member so that it forms a unit which can be applied to the truck in any desired location" [Ex. 2, Col. 4, lines 34-37].

At the trial, plaintiffs contended that patentability of the Lugash improvement patent was established by this totally new result, *i.e.*, a power loader comprising a unitary assembly attachable as a unit under the truck in any desired location [Tr. 154, line 13; 157, line 25; Résumé of testimony of plaintiffs' expert witness, R. 189, line 21, to 200, line 1 and 220, lines 15-19]. None of defendant's prior art patents, nor Lugash's generic patent, addresses itself to this objective. Defendant at no time contended that any prior art showed any power loader attachable under a truck as a unit at any desired location. Such a device attaining this result appears in evidence derived from defendant only in defendant's advertising for its infringing Folda-Lift device, in Exhibit 4. There, it is said of the Folda-Lift loader, "Ideal for unusual requirements such as mounting on side of body or on dump body." While such locations are not illustrated in defendant's advertising, they are illustrated in plaintiffs' advertising which shows side loaders and dump truck loaders mounted under trucks [Exs. 21a and b]. The trial court made no findings as to what the prior art was and what

Lugash did to improve upon it with specific reference to the feature of versatility of location of a truck loader.

Apart from the feature of versatility of possible location, the evidence also shows that Lugash was the first to achieve a unitary construction in a truck loader of the type having an invertable platform movable to and from an out-of-the-way position under the truck bed. It was admitted at the trial by defendant's patent expert that in making a load elevator like that of the first Lugash patent into a unitary construction, there is a problem in that in using a single hydraulic cylinder centrally located between the linkage systems, there is a requirement of the arrangement of the several parts in such a manner as to obtain the requisite clearance for the inversion of the platform [Tr. 824, line 24, to 826, line 6]. He also admitted on cross-examination that there were no prior art patents having elements combined in a manner to make a unitary loader in which the load platform is invertable over the lifting arms [Tr. 825, line 19, to 826, line 6]. The court did not make any findings that there was any single prior art patent showing Lugash's manner of combining elements in his secondary patent.

At the trial, defendant introduced evidence of prior art unitary *tail gate* loaders in patents and devices not considered by the Patent Office in issuing the Lugash improvement patent, on the basis of which the court found Lugash '196 to be an obvious variant of the claimed subject matter of generic Lugash patent '227 [Finds. 31-35a, R. 671, 672] and invalid under 35 U.S.C. 103 [R. 674, Concl. of Law G]. In making these findings and conclusions, the trial court held the invertable platform claimed in the Lugas generic pat-

ent, to be of no patentable significance as part of the combinations claimed in the Lugash improvement patent [R. 671, Find. 34]. However, apart from the primary Lugash patent, no art prior to the secondary Lugash patent shows a platform invertable over the linkage systems.

### Specification of Errors.

1. The District Court erred in finding that the claims of the second Lugash Patent No. 2,989,196 merely incorporate the claims of the first Lugash Patent No. 2,837,227 in combination with other disclosures of prior art [Find. 34].

2. The District Court erred in finding that the prior art Messick Patent No. '923, Wood Patent No. '540 and defendant's prior models manufactured and sold before plaintiffs' filing of the application for the second Lugash Patent No. 2,989,196, made the unitary construction of the second Lugash Patent No. '196 obvious to one skilled in the art at the time of plaintiffs' invention [Find. 35].

3. The District Court erred in finding that the second Lugash Patent No. 2,989,196 is an obvious variant of the claimed subject matter of the first Lugash Patent No. 2,837,227 [Find. 35a].

4. The District Court erred in not finding that the second Lugash patent 2,989,196 combined elements in a manner which was not obvious, not anticipated and which obtained unexpected and advantageous results.

5. The District Court erred in not finding that the second Lugash Patent 2,989,196, as an improvement over the first Lugash Patent 2,837,227, for the first time disclosed to the art a unitary construction for a



load elevator for trucks having a platform that is invertible over the lifting linkages.

6. The District Court erred in not finding that the unitary device of the second Lugash Patent 2,989,196 for the first time gave the art a loading device for trucks attachable as a unit in any desired location under a truck and which eliminated both the problem of preserving the operating alignment of its own parts and the problem of mating alignment of a load platform with specially cut openings in the floor or side wall, or both, of a truck or vehicle.

7. The District Court erred in Conclusion of Law G in holding invalid the second Lugash Patent No. 2,989,196.

8. The District Court erred in not holding that defendant has infringed the second Lugash Patent No. 2,989,196 and in not awarding plaintiffs an injunction and accounting therefor.

### Summary of Argument.

The essence of Lugash's improvement patent is a stowable power loader attachable as a unit anywhere under a truck. Essential to this end are certain elements of the combination claimed by him, *i.e.*, an invertible platform and the arrangement of the parts into a unitary assembly in such manner that clearance is afforded by the power means for inversion of the platform and subsequently raising the inverted platform and linkage systems to stowed position beneath the vehicle bed.

Manifestly, the achievement of such a loader is not obvious from prior unitary tail gates in which the biggest part, the platform, always projects beyond the vehicle bed, whether serving as a tail gate or load plat-

form, and whose devisers were not even concerned with the prospect of getting a large platform under a truck bed. Consequently, even if any prior tailgater had come up with an arrangement of the parts, other than the platform, which would meet the clearance problems of Lugash, such accidental result cannot be properly used as 20-20 hindsight to make obvious something not intended or appreciated by them.

Novelty is not in dispute—only obviousness. It is not contested that only the Lugash improvement patent attains this new result of a stowable power loader attachable as a unit anywhere under the truck. Now, this new result is attainable only because of the presence in the claims of those certain elements mentioned above but to which the trial court gave no weight, contrary to the principle that a claim to a combination is an entirety whose validity is to be tested as such.

The Lugash improvement claims, constituting a new combination of elements, old in themselves, but which produce a new and useful result, entitles him to the protection of his patent and the rule of *Lincoln Engineering* has no application to such a combination. The court erred in this respect, and also in applying the rule of *Lincoln Engineering* to the combination after subtracting elements from the combination claimed. Furthermore, if we concede that there was a prior conjunction or concert of the same elements as Lugash's combination, the Lugash combination is not rendered obvious, under the case law of this circuit, by such prior

association of the same elements because they did not produce substantially the same results.

Lugash's claims being to a combination, the fact that they include as an element the feature of an invertible platform, also an element of the claims of his prior generic patent, cannot detract from patentability of the improvement patent. It was error for the trial court to hold to the contrary, and an improper extension of the principle of the *Intricate Metals* case. This case is additionally distinguishable from *Intricate Metals* in that those certain elements of Lugash's combination claims mentioned above require the disclosure of a clearance arrangement which is contained and taught only in the improvement patent. The improvement patent is not merely a combination of the claimed subject matter in the generic patent and other disclosures of prior art. On the contrary, the attainment of Lugash's new result requires the perception of a problem and the provision of a solution for the problem which are disclosed only by the improvement patent.

## ARGUMENT.

### I.

**The Lugash Improvement Patent Is a New Combination of Elements, Old in Themselves, Producing a New and Useful Result. It Was Error to Apply the Rule of Lincoln Engineering to Such New Combination.**

Although the court made no findings on the point, it is clearly established in this record, by defendant's failure to contest the point, that no prior workers in this field ever addressed themselves to the objective of providing a power loader attachable as a unit under any location on a truck. By contrast, the Lugash improvement patent '196 discloses, in detail, a single embodiment of Lugash's unitary loader and illustrates it in three different positions under a truck. The patent expressly states that, "it forms a unit which can be applied to a truck in *any* desired location" [Ex. 2, Col. 4, lines 34-37] and "whether the hoist is mounted on the end or side of the vehicle, when not in use, it can be moved to a position where it is completely out of the way and in which it does not add to the width or length of the vehicle or interfere with the normal loading or unloading of the vehicle from loading docks or the like which are disposed at the level of the vehicle bed" [Ex. 2, Col. 4, lines 41-52]. Defendant advertises that its infringing Folda-Lift, which is unitary, as advertised, has such versatility of location [Ex. 4] which is all defendant has to say on the point, as follows:

"Simple to install unitized mechanism. Mounts directly to truck frame. Hydraulic unit is completely self-contained. Ideal for unusual requirements such as mounting on side of body or on dump body."

The claims of the Lugash improvement patent do not claim as his invention the individual parts; these claims are to a combination, the elements of which are old, but whose new relationship together for the first time achieves a power loader attachable as a unit to any desired position under a truck.

All prior loaders have a load platform, lifting arms, a supporting framework, and power means for raising and lowering the platform. In all of these, each of the parts performs its old functions, *i.e.*, the platform supports the load, the lifting arms raise and lower the platform, the framework provides a base for the device, and the power means raises and lowers the load. All are old and are applied to perform their old functions despite which the United States Patent Office has issued a large number of prior patents on power loaders because they combine these old parts into new and different combinations producing new and useful results. This is in recognition of the fundamental principle of patent law recently referred to by this court in quoting Professor Robinson's work on Patents as follows:

"While every element remains a unit, *retaining its own individuality and identity as a complete and operative means*, their combination embodies an entirely new idea of means, and thus becomes another unit, whose essential attributes depend on the cooperative union of the elements of which it is composed." (Emphasis added).

*Pursche v. Atlas Scraper and Engineering Co.*  
(C.A. 9, 1962), 300 F. 2d 467, 473.

The passage just quoted goes on to say

"If the new combination accomplishes *results that could not have been achieved either by its in-*

*dividual or collective elements*, their union must inevitably have brought into action some new or yet unawakened energy, which constitutes a new and independent means.” (Emphasis added).

*Pursche v. Atlas Scraper and Engineering Co.*,  
*supra*, page 474.

In this action, the defendant relied on some 27 prior art patents which used the same parts as the parts of the Lugash unitary loader, either individually or collectively. Yet, defendant didn’t even contest, and the findings of fact do not detract from the fact that none of the prior patentees ever achieved the result of Lugash ’196 in providing a power loader attachable as a unit *under any desired location* on the truck. Plaintiffs’ evidence on this feature of Lugash and defendant’s use of it [Tr. 154, line 13; 159, line 8] is unchallenged.

The Lugash improvement patent thus claims an entirely new combination that accomplishes results that were not previously achieved by its individual or collective elements. Under these circumstances:

“The rule in *Lincoln Engineering Co. of Illinois vs. Stewart-Warner Corp.*, 303 U.S. 545, 549, 58 S.Ct. 662, 664 82 L.Ed. 1008 (1938) that: ‘. . . the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination’ has no application. Rather, the correct principle is the one stated in *Expanded Metal Co. v. Bradford*, 214 U.S. 366, 381, 29 S.Ct. 652, 656, 53 L.Ed. 1034 (1909);

‘It is perfectly well settled that a new combination of elements, old in themselves, but which



produce a new and useful result, entitles the inventor to the protection of a patent.’ ”

*Pursche v. Atlas Scraper and Engineering Co., supra*, page 477.

Under the ruling of this court in *Pursche*, the District Court misapplied the rule in *Lincoln Engineering*. Evidently, the trial court was of the impression that the claims of the Lugash improvement patent defined mere aggregations instead of true combinations simply because the parts of the loader did not individually perform some new function in the unitary Lugash loader not previously performed by these old parts in the prior art. In the Lugash generic patent, these old parts did acquire new functions, results and modes of operation as a result of the combinations claimed therein, as established by the court’s Findings of Fact 6 through 30 [R. 663-670] and constituted a marked advance in the art [R. 673, Concl. of Law D]. It was abundantly clear that the rule in *Lincoln Engineering* could have no application to such a marked advance in the art where old parts were applied to perform new functions, attain new modes of operation, and produce new results. While a closer question was presented as to the applicability of *Lincoln Engineering* to the issue of obviousness or nonobviousness of the Lugash improvement patent, we submit that, consistent with the ruling in *Pursche*, the trial court misapplied the rule of *Lincoln Engineering* in holding the second Lugash patent invalid, and that Finding 33 [R. 671] is an insufficient basis for such holding because it ignores the new result achieved by Lugash’s novel combination.

Plaintiffs grant that lift gate loaders of a unitary construction, *i.e.*, the type of loader in which the load

platform also serves as the tail gate of the truck, were old and well known in the art, several patents to such unitary lift gate loaders having been issued. However, the *manner* in which Lugash combined the parts in his unitary loader was patentably distinct from the prior art unitary lift gate loaders for the reason that the combining of these parts in the environment of *an invertible platform loader* under a truck, involved clearance problems in arranging the power means, lifting linkages and platform in such a manner that the platform, when inverted, would not interfere with the operation of the power means [R. 533, 534, 541]. The claims of Patent '196 [Ex. 2] define Lugash's manner of arranging these several parts in this environment.

Claim 1, for example, calls for "power means including a motor and devices actuated by said motor and carried by said main frame member and connected to said linkage means at a point thereon *affording clearance* for movement of said platform to said inverted position". Claim 2 is dependent on claim 1 (claim 3 is not in issue). Claim 4 calls for "said cylinder and piston means in (*sic*—and) said platform being constructed and arranged *to prevent interference there between* when said platform is swung into inverted position." Claim 5 is dependent on claim 4.

At the trial, it was conceded by defendant's expert that none of the prior art patents even addressed themselves to the objective of making a unitary power loader with an invertible platform [Tr. 823, lines 10-15] and, even more specifically, that there was no prior art patent for any unitary loader with an invertible platform [Tr. 825, line 18, to 826, line 6]. The record shows that the court recognized that no prior patentee



ever devised a unitary construction for a truck loader having an invertable platform. This appears from the court's opinion [R. 569, lines 5-26] but was appraised as a distinction without a difference insofar as concerns the problem of unitary construction [Find. 33, R. 671]. In applying the rule of *Lincoln*, the court viewed this as the use of an old thing, *i.e.*, unitary construction, in new surroundings, *i.e.*, an invertable platform loader, but without creating any novel or unusual function for the individual elements of the combination. Thus, the trial court recognized the *novelty* of the combination of the claims of the Lugash improvement patent but dismissed the foldable platform feature from the claims and then concluded that the improvement patent is a combination of old elements, but only "insofar as concerns the unitary construction" [R. 569, line 14].

In brief, it would appear that the court applied the rule of *Lincoln Engineering* to less than all of the elements of the combinations claimed in the patent. Such interpretation of the court's opinion is consistent with Finding of Fact 35 which states, in substance, that noncited unitary loader constructions, all of the lift gate loader type, made the unitary construction of Lugash patent '196 obvious, in spite of the fact that none of this noncited art discloses or suggests the fold-over platform feature included as an element of the combination claims of Lugash patent '196.

As the trial court thus recognized that the combination or arrangement of parts claimed by the improvement patent was novel, the application of the rule of *Lincoln Engineering* was in error because of this court's decision in *Pursche*, as pointed out above. Additionally, there is error because the court thus treated the Lugash

invention as comprising something less than the totality of the elements set out in the claims, and applied the rule of *Lincoln Engineering* to that, rather than to the entirety of the combination.

This treatment of the claims was not correct because a combination patent covers the totality or entirety of the elements in the claim and no single element or group of elements which is less than the totality of the elements.

“Where a thing patented is an entirety, consisting of a single device or combination of old elements incapable of division or separate use, the respondent cannot escape the charge of infringement by alleging or proving that a part of the entire invention is found in one prior patent, printed publication, or machine, and another in another prior exhibit, and still another part in a third exhibit, and from the three or any greater number of such exhibits draw the conclusion that the patentee is not the original and first inventor of the patented improvement.”

*Imhauser v. Beurk*, 101 U.S. 647, 661, 25 L. Ed. 945 (1880).

Also see *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 5 L. Ed. 2d 592 (1961).

The trial court's opinion and Findings 33-35a [R. 671] discount the materiality of elements stated in Lugash's claims, *i.e.*, the invertible platform and the arrangement for clearance. In effect, the claims have

been interpreted as something less than the sum of the elements actually stated therein, contrary to the principle of *Altoona Publix Theatres v. American Tri-Ergon Corp.*, 294 U.S. 477, 487, reversing C.C.A. 3. The Supreme Court has “frequently held that it is the claim which measures the grant to the patentee. See for example . . .”. *Graver v. Linde Co.*, 336 U.S. 271, 277. In claims for combinations, every element is material—courts cannot add to or subtract from the claim and cannot treat elements as immaterial. *Fay v. Cordesman*, 109 U.S. 408, 421; *Cimiotti Unhairing Co. v. American Fur Refining Co.*, 198 U.S. 399, 410; *Paper Bag Patent Case*, 210 U.S. 405, 419. In combination claims, all elements “must be regarded as material, leaving open only the question whether an omitted part is supplied by equivalent device or instrumentally.” *Fay v. Cordesman*, *supra*, page 42. By 35 U.S.C. Sec. 103, Congress required obviousness to be tested by measuring the invention “as a whole”. We submit that it is error to say, as did the trial court, that admitted distinctions, constituting elements of a combination claim, make no difference in considering the validity of a patented combination, particularly on a record where the patented combination for the first time gives the art a power loader attachable and stowable as a unit under any location on a truck. This completely new result can only be achieved because of the presence in the patented combination of those elements which the court treated as a distinction without a difference [Tr. 154, line 13; 159, line 8].

II.

The Lugash Improvement Patent Is for a Combination That Produces a Result Never Achieved by Any Prior Art. It Is Therefore No Objection to the Validity of the Lugash Improvement Patent That His Earlier Generic Patent Has the Invertible Platform Feature in Common. The Court Erred in Concluding That Because the Folding Concept Was Claimed in Lugash's Generic Patent It Was of No Patentable Significance in His Improvement Patent and, Also, in Concluding That the Improvement Patent Merely Incorporated the Claims of the Generic Patent in Combination With Other Disclosure of the Prior Art.

The Lugash improvement patent for the first time provided the art with a power loader of the fold-a-way platform type, having the parts arranged in a unitary structure for attachment as a unit. To accomplish this result required more than the mere application of unitary lift gate loader principles to the invertible platform arrangement claimed by Lugash's generic patent. The accomplishment of this result additionally required perception of a problem which had never existed in the art before and the devising of an arrangement of the parts to accomplish the result. The fact that viewed after the event [as in Find. 33, R. 671] the means of solving the problem appeared simple and obvious does not negative patentability *Goodyear v. Ray-O-Vac*, 321 U.S. 275, 279, 64 S.Ct. 593, 594, 595, particularly where the problem was not before known *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 361 U.S. 45, 68, 43 S. Ct. 322, 330.

Defendant's patent expert conceded that no prior patent was addressed to the problem of providing a unitary loader having a platform of the fold-a-way type [Tr. 823, lines 10-15], and that there were no prior art patents having elements combined in a manner to make a unitary loader in which the load platform is invertible [Tr. 825, line 19, to 826, line 6]. It is thus established that Lugash achieved a novel combining or arranging of the parts. It was further admitted that this novel arrangement presented a clearance problem in the relationship of the parts when the platform was in inverted position [Tr. 824, line 24, to 825, line 10]. While defendant's patent expert and president gave voluminous testimony of noncited prior unitary tail gate loaders, whose gates cannot invert, from which they said Lugash's unitary construction was obvious, they nowhere gave any testimony that any such lift gate had the parts arranged in a manner to permit inversion of a load platform without interfering with the hydraulic cylinder and to subsequently permit raising an inverted platform to a tucked away position under the truck bed.

Simple as the problem may appear, in retrospect, defendant gave no evidence of any prior arrangement of parts to meet the specific problem. The best defendant's expert could do was to point to a notch in the *forward* edge of the platform of Wood '545, Fig. 9 [Ex. D] to provide clearance for the connection of the *lifting arms* to the platform for moving the platform to tail gate position [Tr. 661, lines 1-13]. But Lugash is concerned with clearance of the inverted platform and cylinder [Tr. 658, line 9; 660, line 10]. The notch of Wood '545 is in the *wrong* edge of the platform for this purpose. Defendant's president admitted that the



infringing Folda-Lift has a platform, in one model, with a notch in the *rear* edge of the platform for the purpose of inverting the platform over the linkage systems [Ex. E, p. 98, lines 9-12] and the cylinder is arranged in such position as to offer no interference to the platform's assuming the inverted portion [Ex. E, p. 139, lines 5-14].

To provide a unitary loader of the Fold-a-way platform type required a disclosure which can only be found in the specification and claims of the Lugash improvement patent which, in this record, is the only disclosure of an arrangement of the parts of a power loader, in an admittedly novel combination, to achieve an admittedly novel result. Thus, this case is very clearly distinguishable from this court's decision in *Intricate Metal Products, Inc. v. Schneider*, 324 F. 2d 555, in which claimed subject matter of an earlier patent was incorporated *only* with other disclosures of prior art *without* accomplishing any new use, function or result. We submit that it was error for the trial court to apply *Intricate* to the facts of this case.

Lugash did more than provide the art with its first unitary loader having a fold over platform. The Lugash improvement patent for the first time discloses to the art the conception and reduction to practice of a stowable power loader attachable as a unit to any desired location under a truck. While Lugash's generic patent discloses and claims the first successful invertible platform loader, it clearly does not address itself specifically to the provision of a power loader attachable anywhere under a truck.

The other prior art (*i.e.*, apart from the claims of the generic Lugash patent) upon which the defendant and

trial court rely, betrays no consciousness of the possibility of making a power loader attachable as a unit to any place under the truck. Defendant at no time contested the fact that the Lugash improvement patent is the first such disclosure in this art. Under these circumstances, it clearly cannot be obvious from the prior art unitary tail gates to provide the art with a power loader attachable as a unit to any place under a truck. This is true even though the unitary tail gate loaders are devices containing the same elements as the unitary Lugash loader because, consistent with the ruling of this court in *International Manufacturing Co. v. Landon, Inc.*, 336 F. 2d 723, at 726, the Lugash combination “is not anticipated or rendered obvious by a prior conjunction or concert of the same elements unless the latter produces substantially the same results”.

The Lugash improvement patent is directed to a wholly different object from that of the prior art. He sought a stowable power loader unit attachable anywhere under a truck. The prior art workers in the field made lift gates into a unitary structure, attachable only to the rear of the truck where, as defendant acknowledges, truck frames are relatively standard and where loaders can be easily standardized [Tr. 383, lines 2-18]. They were concerned with tail gate platforms, not invertible platforms. They were not concerned with getting a large platform under the truck, let alone the arrangement of the parts to get clearance for inversion and then hoisting the platform, lifting linkages and cylinder under the truck bed, all in a unitary assembly attachable anywhere under the truck.

The Lugash invention is not merely in making a unitary loader of the type first exemplified by his generic

patent—it was the conception of a new object to be achieved, the discovery of a clearance problem never before encountered in the art or even known to the art, and the successful solution of the problem to achieve the new result. Under the principles of *Eibel Process Co. v. Minnesota and Ontario Paper Co.*, 261 U.S. 45, 66-69, 43 S. Ct. 322, 329, 330, such an invention is not anticipated or rendered obvious on the basis of prior art which devised unitary lift gates simply for the purpose of making them unitary and in a tail gate environment where they did not have to overcome and were not even aware of the clearance problems involved in devising a relationship of parts which would successfully result in a stowable unitary loader attachable at any point under a truck.

“In the first place, we find no evidence that any pitch of the wire, used before Eibel, had brought about such a result as that sought by him, and, in the second place, if it had done so under unusual conditions, accidental results, not intended and not appreciated, do not constitute anticipation.”

*Eibel Process Co., supra*, 43 S. Ct. 329.

The defendant contended below and the court agreed in its findings and conclusions of law, that as unitary tail gate loaders were known to the art, the necessary effect of that would be to achieve the result of Lugash's improvement patent when a skilled worker was made aware of the generic invention of the primary Lugash patent. Under the ruling in *Eibel Process, supra*, it should be a complete answer to this contention that, in the first place, no unitary device used before the Lugash improvement patent had ever brought about the result sought by Lugash in his improvement; and in the second



place, even if any prior unitary lift gate loader accidentally had an arrangement of the parts capable of achieving the merely unitary result of the Lugash improvement patent, if used in combination with the claimed invertible platform of the generic Lugash patent, that fact could not anticipate or make obvious Lugash's achievement of the first stowable power loader attachable as a unit to any place under a truck. That result clearly is intended and appreciated only in the Lugash improvement patent.

From the foregoing, it is clear that the Lugash improvement patent is not merely a combination of his prior claimed subject matter of his generic patent with disclosures of other prior art. On the contrary, what was required is disclosed only in the Lugash improvement patent itself. First, the guiding concept of a power loader attachable as a unit to any place under a truck and secondly, the disclosure of a means adapted and intended for overcoming a clearance problem in making the first unitary loader of the type having a fold-a-way platform. It is respectfully submitted that Findings of Fact 34 to 35a are clearly erroneous in misapplying the principle of *Intricate Metal* to the facts of this record.

There was also error in the District Court's extension of the *Intricate Metal* case to hold that the invertible platform elements of the prior generic patent claims of Lugash, also present in the improvement patent claims, could not be of patentable significance in the latter. The court so found in Finding of Fact 34 [R. 671]. The *Intricate* case does not sustain any such proposition or finding of fact. In *Intricate*, this court considered the combination claims as an entirety—not the combination claims minus the elements thereof also present

in the prior patent. It is never an objection to an improvement patent that an earlier generic patent has covered the same structure, and such is valid, though taken out by a single inventor. *Traitel Marble Co. v. Hungerford Brass & Copper Co.* (C.A. 2, 1927), 22 F. 2d 259, 262.

“It is said, however, that this alleged improvement is not new, and is embraced in his former specification; and that if some portion of it is new, it is not so described as to distinguish the new from the old.

“. . . All that we think is useful or necessary to say is, that, after a careful examination of the patents, we think the objection on this ground is not tenable. The force of the objection is mainly directed upon the receiving magnet, which it is said is a part of the machinery of the first patent, and performs the same office. But the receiving magnet is not of itself claimed as a new invention. It is claimed as a part of a new combination or arrangement to produce a new result. And this combination does produce a new and useful result for, by this new combination, and the arrangement and position of the receiving magnet, the local and independent circuit is opened by the electric or galvanic current, as it passes on the main line, without interrupting it in its course; and the intelligence it conveys is recorded almost at the same moment at the end of the line of the telegraph, and at the different local offices on its way. And it hardly needs a model or a minute examination of the machinery to be satisfied that a telegraph which prints the in-

telligence it conveys at different places, by means of the current, as it passes along on the main line, must necessarily require a different combination and arrangement of powers from the one that prints only at the end. *The elements which comprise it may all have been used in the former invention; but it is evident that their arrangement and combination must be different to produce this new effect.* The new patent for the local circuits was therefore properly granted; and we perceive no well founded objection to the specification or claim contained in the re-issued patent of 1848.”

*O'Reilly et al. v. Morse et al.*, 15 How. 62, 122, 123, 14 L. Ed. 601 (Emphasis added).

We submit that the *Morse* decision above quoted is of controlling effect in this situation. The invertible platform feature is a part of the machinery of the generic Lugash patent and it is also a part of the machinery of the improvement patent. In the improvement patent, it is claimed as a *part* of a new combination or arrangement to produce a new result and it does produce a new and useful result. There is no prior power loader attachable as a unit to any location under a truck and such new combination producing new and useful results should be sustained, rather than defeated by subtracting elements from the combination claimed. Clearly, such a combination cannot be rendered obvious by a prior conjunction or concert of the same elements not producing substantially the same results. *Interna-*

*tional Manufacturing Co., Inc. v. Landon, Inc., supra*, page 726.

“It must be conceded that a new combination, if it produces new and useful results, is patentable, though all the constituents of the combination were known and in common use before the combination was made. But the results must be a product of the combination, and not a mere aggregate of several results each the complete product of one of the combined elements.”

*Hailes v. Van Wormer*, 87 U.S. 353, 368 (1873).

As has been demonstrated, the improvement patent produces new and useful results even though all the constituents of the combination were known and in common use before the combination was made. Further, the results are the product of the combination rather than a mere aggregate of several results. Unitary constructions for prior loaders never achieved any versatility of possible point of attachment under a truck. The invention claimed by Lugash in his primary patent did not reach the result. It is only the Lugash improvement patent which achieves the result of a power loader attachable as a unit under any desired location on a truck.

III.

Finding of Fact 35 Is Contrary to the Principle That the Presumption of Validity Arising From the Grant of a Patent on a Combination of Old Elements Is Not Upset Merely Because the Examiner Failed to Cite a Reference Disclosing One Element During the Prosecution of the Application. Additionally, the Presumption Here Is Intact Because the Examiner Actually Had the Best Prior Art Before Him.

Finding of Fact 35 is to the effect that certain non-cited art made the unitary construction of Lugash's improvement patent obvious. We have already pointed out wherein this finding is clearly erroneous in that the non-cited prior art relied on does not disclose those elements of the claims in issue defining the invertible platform feature. It should not require additional citation of authority to demonstrate the proposition that elements of a claimed combination cannot be made obvious from prior art, none of which even remotely suggests those elements. By the same token, as regards the presumption of validity of the Lugash improvement patent, as none of the non-cited art mentioned in Finding 35 discloses the invertible platform feature, they cannot detract from the presumption of validity under the holding of this court in *Wham-O Manufacturing Co. v. Paradise Manufacturing Co.* (C.A. 9, 1964), 325 F. 2d 748.

The trial court felt that the non-cited art mentioned in Finding 35 was more pertinent than that considered by the Examiner in the Patent Office simply because Messick '923, Wood '540, and the defendant's prior models mentioned therein all have the feature of mounting the complete power system on a main supporting

framework. Specifically, in the cases of Messick and Wood '540, they mount the pump, motor and reservoir on the main framework, along with the hydraulic cylinder. On the other hand, while the patents cited in the Lugash improvement patent showed the arrangement of mounting the hydraulic cylinder on a main frame member, they did not disclose a reservoir, pump and motor as also being mounted on the main frame member. It is in this respect that the trial court thought that non-cited Messick, Wood '540 and defendant's prior models were more pertinent than the references cited by the Examiner against the Lugash improvement patent.

It is clear that under the holding of this court in *Wham-O* that the alleged omission of the Examiner to consider prior art showing the pump, motor and reservoir mounted on the main frame along with the hydraulic cylinder, could not in any way affect the presumption of validity. These non-cited patents at best disclose only part of the constituents of the patented combination.

Actually, the Examiner handling the application for the Lugash improvement patent did have the best prior art before him in citing the Lugash generic patent. This is clear from the testimony of defense counsel's questioning of *his* patent expert.

"Q. All right. Now, the introductory phrase of claim 1 of Lugash '196 [the improvement patent] stated: 'In a load hoisting means attachable as a unit to a vehicle frame . . .'.

Now, is the load elevator of the first Lugash patent attachable as a unit to the vehicle frame?  
A. Oh, it is primarily a unit. The unit is shown in orange in Figures 1 and 2 [referring to Exhibit AN-1].



Q. Well, is it or is it not attachable as a unit? Can you answer that 'Yes' or 'No'? A. I think the basic parts are attached as a unit.

Q. Are all of the parts attachable as a unitary assembly? A. No, there are several pulleys that are attached up above it with a cable going over them. But it would be obvious from the fact that the principle structure is all a unit. It is very clearly pointing the way there." [Tr. 833, line 10, to 834, line 1].

On this point, we submit that the defendant's position is self-impeaching, not only because of the above defendant's expert testimony, but also because of the testimony of defendant's president, Mr. Vogel, with regard to unitary construction historically in the field of lift gates. As early as 1948, he began manufacturing unitary lift gate loaders [Tr. 345, lines 8-19]. In 1948, he filed a patent application [Ex. I] having unitary construction of lift gates as a primary objective [Tr. 361, line 20, to 363, line 11]. As recently as 1956, he filed another patent application, with a brother, which issued as Vogel *et al.* patent 2,820,554 [Ex. C], for a tail gate lift of unitary construction [Tr. 379, lines 10-24]. On cross-examination, he admitted that during the years between 1948 and 1956, it was obvious to him that a tail gate loader could be made of a unitary construction. His is the last in a series of patents relied on by defendant showing unitary lift gates, such as Messick '923, Wood '540 and further, after a long experience running back to 1948 in manufacturing unitary lift gates.

All of these unitary lift gate constructions are various combinations of tail gate platforms, lifting linkage,

main frames and power means. In view of these numerous prior patents of unitary lift gate loaders, each of which combines the parts differently and is confined to a tail gate environment, it is not logical for defendant to contend that the combination of these parts differently arranged as in the Lugash improvement patent, *in the completely different environment* of a fold-away platform loader, is obvious. Further, we submit that it is inconsistent for defendant to say that Lugash's unitary invertible platform construction, which defendant's expert conceded to be the only one of its type [Tr. 825, line 19, to 826, line 6] can be obvious, while defendant itself is the possessor of a patent on a unitary loader which is the last in a well-plowed field of patents and prior devices on unitary tail gate loaders.

#### IV.

#### **While Claim 6 of the Improvement Patent Does Not Mention That the Platform Is Invertible, the Only Proper Construction of the Claim Is for a Loader Having an Invertible Platform.**

As has been pointed out, the Lugash improvement patent fully discloses and teaches a unit which can be applied to the truck in any desired location where it can be moved to a position where it is completely out of the way when not in use and which will not add to the width or length of the vehicle or interfere with normal loading or unloading from docks [Ex. 2, Col. 4, lines 34-52]. It is specifically pointed out to be an improvement over his generic patent for the combination of parallel linkage systems and invertible platform.

Neither the generic nor the improvement patents of Lugash have to do with tail gate platform loaders



or floor platform loaders. There is not the slightest implication in either of the Lugash patents that they have to do with anything other than the type of loader in which the load platform is of the type which must be inverted over the lifting linkages for stowing. Both patents obviously have to do only with invertible platform loaders. Under these circumstances, the only proper construction of Claim 6 is that it defines a loader of the invertible platform type and this is consistent with the holding in *United States v. Adams*, .... U.S. ...., 34 Law Week. 4132, 148 U.S.P.Q. 479.

*Adams* involved combination claims to a battery. While some of the claims specifically mentioned the type of electrolyte to be used with the battery, others did not state the electrolyte to be used. It was there contended that the claims were invalid on the basis of prior art which did not show any successful water activated battery, although alleged to show that the same elements had before been used in combination in batteries and that the combination was an essentially old formula. The contention was rejected by the court which said, with respect to those claims not stating the type of electrolyte:

“First, the fact that the Adams battery is water activated sets his device apart from the prior art. It is true that claims 1 and 10, *supra*, do not mention a water electrolyte, but, as we have noted, a stated object of the invention was to provide a battery rendered serviceable by the mere addition of water. While the claims of a patent limit the invention, and specifications cannot be utilized to expand the patent monopoly . . . it is fundamental that claims are to be construed in

the light of the specifications and both are to be read with a view to ascertaining the invention. . . . Taken together with the stated object of disclosing a water activated cell, the lack of reference to any electrolyte in claims 1 and 10 indicates that water alone could be used. Furthermore, of the eleven claims in issue, three of the narrower ones include references to specific electrolyte solutions comprising water and certain salts. The obvious implication from the absence of any mention of an electrolyte—a necessary element in any battery—in the other eight claims reinforces this conclusion.”

Where a claim is susceptible of two different constructions, a court should adopt that which will sustain the claim, rather than that which is fatal to the claim. *Smith v. Snow*, 294 U.S. 1, 14, 55 S. Ct. 279, 284.

“The object of the patent law is to secure to inventors a monopoly of what they have actually invented or discovered, and it ought not to be defeated by a too strict and technical adherence to the letter of the statute, or by the application of artificial rules and interpretation”.

*Topliff v. Topliff and Another*, 145 U.S. at page 171, 12 S. Ct. at page 831.

It is also pointed out that if claim 6 is construed without an invertible platform it is inoperative to achieve the results which are the objective of the Lugash improvement patent. For example, if the unitary loader were used as a side loader, as in Figure 10, but if the platform were not invertible, this would completely defeat the use of the device as it could not be stowed and

would excessively add to the width of the vehicle, which Lugash states on page 2, column 4, line 49, his invention avoids. To construe the claim without inversion of the platform would make the Lugash disclosure inoperative for its intended purpose. Claim 6 is *under*-inclusive and, therefore, ambiguous, requiring a look at the specifications to explain the gap in claim 6 in omitting “invertible” as a limitation of “platform”. This result is within the holding of this court in construing a claim for a scaffold where the essential element of a bar was omitted, but the claim was sustained. *Beatty Safway Scaffold Co. v. Upring, Inc.*, 306 F. 2d 626 (C.A. 9, 1962).

Also significant is the fact that claim 6 was not treated any differently than the other claims by the Patent Examiner and Lugash’s attorney during prosecution of the application. The attorney presented it to the Examiner “as a broader expression of the invention *above described*” [Ex. B, p. 23], meaning the preceding claims, all having the invertible platform. The Examiner grouped the claim with all the others in acting on it [Ex. B, p. 24] and in response, the applicant’s attorney did not differentiate the claim from the others, as regards the inversion feature [Ex. B, pp. 23-24]. The inadvertent and unnoticed omission of the inversion feature from claim 6 should not defeat the claim—it should be construed to give it the meaning which was intended by the applicant and understood by the Examiner, as was done in *I.T.S. Rubber Co. v. Essex*

*Rubber Co.*, 279 U.S. 429, 441, 442, 47 S. Ct. at 140, where the court sustained a claim not including the word “rear”.

### CONCLUSION.

The patent statute specifically provides for patents on improvements. “Any person who has invented or discovered any new and useful . . . machine . . . or any useful improvements thereof . . . may obtain a patent therefor.” 35 U.S.C. 101. *Williams Manufacturing Co. v. United Shoe Machinery Corp.*, 316 U.S. 364, 366, 62 S. Ct. 1179, 1180. The evidence is clear that the plaintiffs’ Tuk-A-Way loader, made under both the generic and improvement patents of Lugash, has had impressive commercial success [R. 565, lines 6-8]. As compared to the Lugash generic patent, patentability of his improvement patent presents a closer case but if doubt remains, this commercial success tends to prove the originality and utility of the improvement. *Hayes Spray Gun Co. v. E. C. Brown Co.* (C. A. 9, 1961), 291 F. 2d 319, 322.

A new combination achieving a new and useful result is not within the reach of the rule in *Lincoln Engineering*. The folding concept claimed in Lugash’s generic patent is of patentable significance as part of the new combination of his improvement patent. Elements of the claimed combinations are disclosed to the art only by the improvement patent, whose presumption of validity cannot be destroyed by prior art which does not even address itself to this disclosure. We respectfully

submit that the Trial Court erred in ruling to the contrary; that the Lugash improvement patent 2,989,166 should be sustained; and the case remanded on the cross-appeal solely for the purpose of making findings on the issue of infringement.

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### **Certificate of Counsel.**

I certify that, in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

FREDERICK E. MUELLER,







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